

# Town of Livingston, Louisiana

## Annual Financial Statements

As of December 31, 2004 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-6-05

**LEROY J. CHUSTZ**  
CERTIFIED PUBLIC ACCOUNTANT  
A Professional Accounting Corporation

**Town of Livingston, Louisiana**  
**Annual Financial Statements**  
**As of December 31, 2004 and for the Year Then Ended**  
**With Supplemental Information Schedules**

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**Town of Livingston, Louisiana**  
**Annual Financial Statements**  
**As of December 31, 2004 and for the Year Then Ended**  
**With Supplemental Information Schedules**

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**INDEPENDENT AUDITOR'S REPORT  
ON THE BASIC FINANCIAL STATEMENTS**

The Honorable Mayor Derral Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2004, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Livingston, Louisiana's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Livingston, Louisiana, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated June 27, 2005 on my consideration of the Town of Livingston, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis, budgetary comparison information, and other supplemental schedules on Pages 8 through 17, 54 through 57, and 59 through 75 of this report are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

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**LEROY J. CHUSTZ**  
Certified Public Accountant  
A Professional Accounting Corporation

The Honorable Mayor, Derral Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

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My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Livingston, Louisiana's basic financial statements. The supplemental information schedules listed in the Table of Contents as Schedules 13 through 15 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Leroy J. Chustz*  
Certified Public Accountant  
June 27, 2005

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## **Required Supplemental Information (Part I)**

### **Management's Discussion and Analysis**



**Town of Livingston, Louisiana**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended December 31, 2004**

**Introduction**

The Town of Livingston, Louisiana (the Town) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements and footnotes on pages 17 through 52 of this report.

**Financial Highlights**

- At December 31, 2004, the Town's assets exceeded its liabilities by \$5,403,877 (net assets). Of this amount, \$787,956 (unrestricted net assets) may be used to meet the Town's ongoing obligations to its citizens.
- For the year ended December 31, 2004, the Town's total net assets increased by \$71,185.
- At December 31, 2004, the Town's governmental funds reported combined ending fund balances of \$375,500, an increase of \$5,015 for the year. Of this amount, 100% is available for spending at the Town's discretion (unreserved fund balance).
- At December 31, 2004, the Town's proprietary funds reported combined ending net assets of \$3,569,508, a decrease of \$47,938 for the year. Of this amount, approximately 12%, or \$412,456, is available for spending at the Town's discretion (unrestricted net assets).
- For the year ended December 31, 2004, the Town's total debt increased by \$58,288. During the year the Town purchased equipment totaling \$136,674 under capital leases with a local bank and paid capital lease and revenue bond principal payments of \$78,386.

**Overview of the Annual Financial Report**

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Town of Livingston, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2004**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental and business-type activities are presented in separate columns along with a total column for the primary government. Component unit information is presented separately in the notes to the financial statements.

The Statement of Net Assets presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

- **Governmental activities** - Most of the Town's basic services are reported here, including general government, public safety, highways and streets, sanitation, health and welfare, and parks and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- **Business-type activities** - The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water, natural gas, and sewer utility systems are reported in this section.

The government-wide financial statements include the Town of Livingston, Louisiana (primary government) only and can be found on pages 18 through 20 of this report. Component unit information is reported separately in Note 23 to the financial statements which can be found on pages 51 and 52 of this report.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

## **Town of Livingston, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2004**

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 22 through 25 of this report.

Proprietary funds account for water, natural gas, and sewer utility services provided by the Town to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail. The basic proprietary fund financial statements can be found on pages 26 through 31 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 23 and 25 of this report.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 52 of this report.

# **Town of Livingston, Louisiana**

## **Management's Discussion and Analysis** **As of and for the Year Ended December 31, 2004**

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 18 of this report.

### **Net Assets** **December 31, 2004 and 2003**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Assets:</b>						
Current and Other Assets	\$ 417,724	\$ 399,028	\$ 783,745	\$ 745,710	\$ 1,201,469	\$ 1,144,738
Capital Assets	<u>1,568,117</u>	<u>1,352,114</u>	<u>3,418,981</u>	<u>3,515,170</u>	<u>4,987,098</u>	<u>4,867,284</u>
Total Assets	<u>1,985,841</u>	<u>1,751,142</u>	<u>4,202,726</u>	<u>4,260,880</u>	<u>6,188,567</u>	<u>6,012,022</u>
<b>Liabilities:</b>						
Long-Term Debt Outstanding	109,248	7,353	436,313	479,920	545,561	487,273
Other Liabilities	<u>42,224</u>	<u>28,543</u>	<u>196,905</u>	<u>163,514</u>	<u>239,129</u>	<u>192,057</u>
Total Liabilities	<u>151,472</u>	<u>35,896</u>	<u>633,218</u>	<u>643,434</u>	<u>784,690</u>	<u>679,330</u>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	1,458,869	1,344,761	2,982,668	3,035,250	4,441,537	4,380,011
Restricted	-	-	174,384	175,387	174,384	175,387
Unrestricted	<u>375,500</u>	<u>370,485</u>	<u>412,456</u>	<u>406,809</u>	<u>787,956</u>	<u>777,294</u>
Total Net Assets	<u>\$ 1,834,369</u>	<u>\$ 1,715,246</u>	<u>\$ 3,569,508</u>	<u>\$ 3,617,446</u>	<u>\$ 5,403,877</u>	<u>\$ 5,332,692</u>

Approximately 82% of the Town's net assets reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 3% of the Town's net assets represents resources that are subject to external restriction on how they may be used. The Town's restricted net assets consist of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 15% of the Town's net assets are unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net assets, both for the Town as a whole, as well as for separate governmental and business-type activities. The same held true for the prior fiscal year.

The Town's activities increased its total net assets by \$71,185, with governmental activities increasing net assets by \$119,123 and business-type activities decreasing net assets by \$47,938.

# **Town of Livingston, Louisiana**

## **Management's Discussion and Analysis** **As of and for the Year Ended December 31, 2004**

In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on pages 19 and 20 of this report.

### **Changes in Net Assets** **For the Years Ended December 31, 2004 and 2003**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 469,279	\$ 497,736	\$ 902,505	\$ 923,516	\$ 1,371,784	\$ 1,421,252
Operating Grants and Contributions	265,147	69,543	-	-	265,147	69,543
Capital Grants and Contributions	-	-	-	-	-	-
<b>General Revenues:</b>						
Sales Taxes	225,657	200,924	-	-	225,657	200,924
Ad Valorem Taxes	30,325	27,336	-	-	30,325	27,336
Franchise Taxes	89,306	83,460	-	-	89,306	83,460
Interest Income	4,196	4,209	7,916	6,920	12,112	11,129
Other Revenues	19,148	8,982	-	-	19,148	8,982
<b>Total Revenues</b>	<u>1,103,058</u>	<u>892,190</u>	<u>910,421</u>	<u>930,436</u>	<u>2,013,479</u>	<u>1,822,626</u>
<b>Expenses:</b>						
General and Administrative	320,242	282,052	-	-	320,242	282,052
Police Protection	221,856	209,669	-	-	221,856	209,669
Fire Protection	72,257	61,014	-	-	72,257	61,014
Public Works	151,730	134,729	-	-	151,730	134,729
Sanitation	55,396	53,096	-	-	55,396	53,096
Health and Welfare	5,268	4,836	-	-	5,268	4,836
Parks and Recreation	312,186	273,153	-	-	312,186	273,153
Water, Gas, and Sewer Utility	-	-	803,359	757,574	803,359	757,574
<b>Total Expenses</b>	<u>1,138,935</u>	<u>1,018,549</u>	<u>803,359</u>	<u>757,574</u>	<u>1,942,294</u>	<u>1,776,123</u>
<b>Change in Net Assets</b>						
Before Transfers	-35,877	-126,359	107,062	172,862	71,185	46,503
Transfers	155,000	100,000	-155,000	-100,000	-	-
<b>Change in Net Assets</b>	<u>119,123</u>	<u>-26,359</u>	<u>-47,938</u>	<u>72,862</u>	<u>71,185</u>	<u>46,503</u>
Net Assets, Beginning	1,715,246	1,741,605	3,617,446	3,544,584	5,332,692	5,286,189
Net Assets, Ending	<u>\$ 1,834,369</u>	<u>\$ 1,715,246</u>	<u>\$ 3,569,508</u>	<u>\$ 3,617,446</u>	<u>\$ 5,403,877</u>	<u>\$ 5,332,692</u>

### **Governmental Activities**

The Town's governmental net assets increased by \$119,123, or 7% of the prior year ending net assets, to \$1,834,369. The overall increase in net assets is due primarily to a \$155,000 transfer of funds from the Town's business-type activities, a \$107,921 donation of a fire rescue vehicle and a \$73,575 FEMA grant that was used to purchase self contained breathing apparatus and one air compressor.

## **Town of Livingston, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2004**

The increase in general and administrative expenditures of \$38,190 primarily consists of increases in employee retirement of \$12,526, professional fees of \$11,009 and insurance of \$12,036. The increase in parks and recreation expenditures of \$39,033 consists primarily of an increase in tournament expenditures of \$7,726 and program expenditures of \$30,236.

#### **Business-Type Activities**

The Town's business-type net assets decreased by \$47,938, or 1.3% of the prior year ending net assets, to \$3,569,508. The decrease in net assets is \$120,800 less than the prior year increase of \$72,862. This difference was caused by a \$20,015 decrease in revenues, a \$45,785 increase in expenses and a \$55,000 increase in transfers to the Town's governmental activities.

The decrease in revenues noted above consists primarily of a decrease in gross profit on gas sales of \$35,802 and an increase in sewer sales of \$18,621. The increase in sewer sales is largely attributable to a rate increase during the year, as well as an increased number of customers utilizing the Town's system.

The increase in expenses noted above primarily consists of increased costs of professional services of \$23,491. The increase in cost of professional services is due primarily to a vulnerability study on the water system and an emergency response plan that were mandated by E.P.A.

#### **Fund Financial Analysis**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 22 through 25 of this report.

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$375,500, all of which are unreserved and available for spending at the Town's discretion. This represents an increase of \$5,015, or approximately 1.3% of the prior year's ending balances.

The general fund is the chief operating fund of the Town. At the end of the current year, the total fund balance for the general fund was \$375,500, all of which was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27% of total general fund expenditures, while total fund balance represents 27% of the same amount.

During the current year, the Town's general fund balance increased by \$5,015.

**Town of Livingston, Louisiana**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended December 31, 2004**

**Proprietary Funds**

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**General Fund Budgetary Highlights**

The Town of Livingston demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures did not exceed budgeted expenditures and other uses by 5%.

For the general fund, actual revenues and other sources were less than final budgeted amounts by \$10,641. Actual expenditures and other uses exceeded final budgeted amounts by \$25,844. Actual net change in fund balance was \$36,485 less than the final budgeted change in fund balance.

For the general fund, original budgeted revenues and other sources were \$1,294,375 and final budgeted revenues and other sources were \$1,390,772. Original budgeted expenditures and other uses were \$1,292,570 and final budgeted expenditures and other uses were \$1,349,272.

Significant variations from the general fund's original and final amended budgets were as follows:

- Budgeted revenues were increased by \$108,000 for the donation of a rescue vehicle.
- Budgeted nonrecurring grant revenues were decreased by \$195,000 because the grants were delayed.
- Budgeted expenditures for sidewalk and park improvement projects to be funded by nonrecurring grant revenues were decreased by \$156,400 and \$56,000 because the grants were delayed.

Significant variations from the General Fund's final amended budget and actual amounts were as follows:

- Actual amounts for Fire Department Capital Outlays exceeded the final budget by \$72,673. During the year the Town purchased fifteen self contained breathing apparatus and one air compressor system for \$81,752 with FEMA grant revenue. The grant revenue was budgeted but the corresponding expenditure was not.

**Town of Livingston, Louisiana**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended December 31, 2004**

**Capital Assets and Debt Administration**

**Capital Assets**

The Town elected early implementation of GASB 34 in the fiscal year ending December 31, 2001. However, as a Phase III government (a government with annual revenues of less than \$10 million), the Town elected not to retroactively report infrastructure assets prior to implementation. Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. Beginning with the fiscal year ended December 31, 2001, these assets are now valued and reported within the governmental activities column of the government-wide financial statements.

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2004 amounts to \$4,987,098 (net of depreciation). The total increase in the Town's investment in capital assets for the current fiscal year was \$119,814 (net of depreciation).

The following table provides a summary of the Town's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on pages 42 and 43 of this report.

**Capital Assets (Net of Depreciation)**  
**December 31, 2004 and 2003**

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 113,580	\$ 113,580	\$ -	\$ -	\$ 113,580	\$ 113,580
Buildings	294,927	294,927	13,349	13,349	308,276	308,276
Building Improvements	214,955	206,216	-	-	214,955	206,216
Parks and Improvements	632,753	632,753	-	-	632,753	632,753
Sidewalk Improvements	163,571	163,571	-	-	163,571	163,571
Vehicles	677,440	509,292	25,203	39,110	702,643	548,402
Machinery and Equipment	268,522	176,228	96,717	67,160	365,239	243,388
Furniture and Fixtures	23,252	23,252	4,828	2,271	28,080	25,523
Computers & Software	11,733	11,733	19,838	23,087	31,571	34,820
Infrastructure	56,726	56,726	-	-	56,726	56,726
Water Utility System	-	-	2,566,877	2,555,353	2,566,877	2,555,353
Gas Utility System	-	-	431,454	431,454	431,454	431,454
Sewer Utility System	-	-	3,065,602	3,050,709	3,065,602	3,050,709
Construction in Progress	-	-	14,380	-	14,380	-
Accumulated Depreciation	(889,342)	(836,164)	(2,819,267)	(2,667,323)	(3,708,609)	(3,503,487)
Capital Assets, Net	<u>\$ 1,568,117</u>	<u>\$ 1,352,114</u>	<u>\$ 3,418,981</u>	<u>\$ 3,515,170</u>	<u>\$ 4,987,098</u>	<u>\$ 4,867,284</u>

For Governmental Activities, major capital additions consisted of the following:

- 2 - 2004 Ford Crown Victoria Police Cars with lettering totaling \$40,826.
- 1 radar gun totaling \$1,905.
- 15 self contained breathing apparatuses and 1 air compressor totaling \$81,752.
- 1 rescue vehicle donated by Livingston Intergovernmental Commission totaling \$107,921.
- 2 - 2005 Ford F450 trucks totaling \$58,948.
- 1 John Deere Tractor, 1 Lift Type Cutter and 1 Z-Trac Mower totaling \$23,448.
- Improvements to old post office totaling \$8,739.



**Town of Livingston, Louisiana**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended December 31, 2004**

Major capital deletions consisted of the following:

- 2 typewriters, a copier and other office equipment totaling \$8,610.
- \$18,866 for 1996 Ford Crown Victoria sold in the current year.
- \$19,731 for 1999 Ford Crown Victoria sold in the current year.
- \$6,144 for police radars and police radios sold or junked in prior years.
- \$2,125 for air pack cylinders junked in the current year.

**Long-Term Debt**

At December 31, 2004, the Town had total debt outstanding of \$545,561. Of this total, \$89,205 is due within one year and \$456,356 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 12 to the financial statements on pages 46 and 47 of this report.

**Outstanding Debt**  
**December 31, 2004 and 2003**

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Capital Leases	\$ 109,248	\$ 7,353	\$ 13,448	\$ 9,785	\$ 122,696	\$ 17,138
Revenue Bonds	-	-	422,865	470,135	422,865	470,135
Total Outstanding Debt	<u>\$ 109,248</u>	<u>\$ 7,353</u>	<u>\$ 436,313</u>	<u>\$ 479,920</u>	<u>\$ 545,561</u>	<u>\$ 487,273</u>

**Other Factors Affecting the Town**

The Town of Livingston's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Town based on existing revenues and to finance long-term projects only when absolutely necessary. The Town also attempts to keep utility rates at the minimum required to cover the costs of utility system operation. However, gas system rates are largely dependent on the amounts charged the Town for the cost of gas sold. In addition, the Town was required to respond to the need for sewer system improvements as mandated for municipalities by the United States Environmental Protection Agency and the Louisiana Department of Environmental Quality. The Town approved an increase in sewer rates of \$7.50 in year 2000, to be phased in at \$1.50 per year from the years 2000 through 2004 to fund these improvements.

**Contacting the Town's Financial Management**

This financial report is designed to provide the Town's citizens, taxpayers, creditors and investors with a general overview of the Town's finances and show the Town's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Town of Livingston, 20550 Circle Drive, Livingston, Louisiana 70754, telephone (225) 686-7773.

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## **Basic Financial Statements**

### **Government-Wide Financial Statements**

**Town of Livingston, Louisiana**

**Statement A**

**Statement of Net Assets  
December 31, 2004**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 27,005	\$ 167,342	\$ 194,347
Investments	225,054	150,000	375,054
Inventory, Natural Gas	-	10,248	10,248
Taxes Receivable	76,606	-	76,606
Accounts Receivable, Net	-	167,582	167,582
Accrued Interest	-	1,438	1,438
Prepaid Expenses	23,113	6,658	29,771
Royalties Receivable	1,333	-	1,333
Due From Other Funds	39,530	10,906	50,436
Due From Other Governments	25,083	-	25,083
Restricted Assets:			
Cash and Cash Equivalents	-	42,299	42,299
Investments	-	227,272	227,272
Capital Assets, Net	<u>1,568,117</u>	<u>3,418,981</u>	<u>4,987,098</u>
Total Assets	<u>1,985,841</u>	<u>4,202,726</u>	<u>6,188,567</u>
<b>Liabilities</b>			
Accounts Payable	15,503	61,905	77,408
Other Accrued Expenses	15,772	283	16,055
Accrued Interest Payable	-	1,043	1,043
Protested Taxes	43	-	43
Due To Other Funds	10,906	39,530	50,436
Customer Deposits	-	94,144	94,144
Current Portion of Long-Term Debt:			
Revenue Bonds Payable	-	49,571	49,571
Capital Leases Payable	34,908	4,726	39,634
Long-Term Debt:			
Revenue Bonds Payable	-	373,294	373,294
Capital Leases Payable	<u>74,340</u>	<u>8,722</u>	<u>83,062</u>
Total Liabilities	<u>151,472</u>	<u>633,218</u>	<u>784,690</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,458,869	2,982,668	4,441,537
Restricted for Debt Service	-	174,384	174,384
Unrestricted	<u>375,500</u>	<u>412,456</u>	<u>787,956</u>
Total Net Assets	\$ <u>1,834,369</u>	\$ <u>3,569,508</u>	\$ <u>5,403,877</u>

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement of Activities  
For the Year Ended December 31, 2004**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General and Administrative	\$ 320,242	\$ 112,501	\$ -	\$ -
Police Protection	221,856	76,350	63,080	-
Fire Protection	72,258	-	197,876	-
Public Works	151,730	-	4,191	-
Sanitation	55,396	43,879	-	-
Health & Welfare	5,268	-	-	-
Parks and Recreation	312,186	236,549	-	-
Total Governmental Activities	<u>1,138,936</u>	<u>469,279</u>	<u>265,147</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Water Utility	241,726	380,840	-	-
Gas Utility	304,909	361,083	-	-
Sewer Utility	256,724	160,582	-	-
Total Business-Type Activities	<u>803,359</u>	<u>902,505</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 1,942,295</u>	<u>\$ 1,371,784</u>	<u>\$ 265,147</u>	<u>\$ -</u>

**General Revenues:**

**Taxes:**

Sales & Use Taxes  
 Ad Valorem Taxes  
 Franchise Taxes  
 Alcoholic Beverage Taxes  
 Interest Income  
 Oil, Gas & Mineral Royalties  
 Other Income  
 Operating Transfers In (Out)  
 Sale of Fixed Assets  
 Total General Revenues

**Change in Net Assets**

Net Assets - Beginning  
 Prior Period Adjustment (Note 22)  
 Net Assets - Restated  
  
 Net Assets - Ending

The accompanying notes are an integral part of this financial statement.

**Statement B**

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (207,741)	\$ -	\$ (207,741)
(82,426)	-	(82,426)
125,618	-	125,618
(147,539)	-	(147,539)
(11,517)	-	(11,517)
(5,268)	-	(5,268)
<u>(75,637)</u>	<u>-</u>	<u>(75,637)</u>
<u>(404,510)</u>	<u>-</u>	<u>(404,510)</u>
-	139,114	139,114
-	56,174	56,174
-	<u>(96,142)</u>	<u>(96,142)</u>
-	<u>99,146</u>	<u>99,146</u>
<u>(404,510)</u>	<u>99,146</u>	<u>(305,364)</u>
225,657	-	225,657
30,325	-	30,325
89,306	-	89,306
2,044	-	2,044
4,196	7,916	12,112
8,063	-	8,063
6,816	-	6,816
155,000	(155,000)	-
2,226	-	2,226
<u>523,633</u>	<u>(147,084)</u>	<u>376,549</u>
<u>119,123</u>	<u>(47,938)</u>	<u>71,185</u>
1,706,595	3,617,446	5,324,041
8,651	-	8,651
<u>1,715,246</u>	<u>3,617,446</u>	<u>5,332,692</u>
<u>\$ 1,834,369</u>	<u>\$ 3,569,508</u>	<u>\$ 5,403,877</u>

# **Basic Financial Statements**

## **Fund Financial Statements**

**Town of Livingston, Louisiana**

**Statement C**

**Balance Sheet  
Governmental Funds  
December 31, 2004**

	<u>General Fund</u>
<b>Assets</b>	
Cash & Cash Equivalents	\$ 27,005
Investments	225,054
Taxes Receivable:	
Ad Valorem Taxes	15,726
Public Utility Franchise Taxes	22,044
Sales and Use Taxes	38,836
Prepaid Expenses	23,113
Royalties Receivable	1,333
Due From Enterprise Fund	39,530
Due From Other Governments:	
State of Louisiana, Beer Tax Distribution	422
United States Department of Justice	10,651
Livingston Parish Fire District #12	11,915
State of Louisiana, Highway Maintenance	2,095
Total Assets	<u>\$ 417,724</u>
<b>Liabilities and Fund Balance</b>	
Liabilities:	
Accounts Payable	\$ 15,503
Other Accrued Expenses	15,772
Protested Taxes	43
Due To Enterprise Fund	10,906
Total Liabilities	<u>42,224</u>
Fund Balance:	
Unreserved & Undesignated	<u>375,500</u>
Total Fund Balance	<u>375,500</u>
Total Liabilities and Fund Balance	<u>\$ 417,724</u>

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement D**

**Reconciliation of the Governmental Funds Balance Sheet to  
the Statement of Net Assets  
December 31, 2004**

<b>Fund Balances, Governmental Funds</b>	<b>\$ 375,500</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds. These assets consist of:

Capital assets, net of depreciation	1,568,117
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Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the governmental funds. These liabilities consist of:

Capital lease obligations	(109,248)
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<b>Net Assets, Governmental Activities</b>	<b>\$ <u>1,834,369</u></b>
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The accompanying notes are an integral part of this financial statement.



**Town of Livingston, Louisiana**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2004**

	<u>General Fund</u>
<b>Revenues</b>	
Taxes	\$ 345,288
Licenses and Permits	112,501
Intergovernmental	39,056
Sanitation Fees	43,879
Fines	75,587
Interest Income	4,196
Oil, Gas, & Mineral Royalties	8,063
Court Fees	763
Fire Department	1,559
Parks and Recreation	236,549
Miscellaneous Income	6,816
Louisiana Law Enforcement Grant	3,592
COPS Universal Hiring Grant	41,488
FEMA Grant	73,575
Donation of Fire Rescue Vehicle	107,921
Total Revenues	<u>1,100,833</u>
<b>Expenditures</b>	
General and Administrative	310,979
Police Department	251,203
Fire Department	232,514
Street Department	223,474
Sanitation Department	55,396
Health Department	5,268
Parks and Recreation	296,282
Total Expenditures	<u>1,375,116</u>
<b>Excess Revenues (Expenditures)</b>	<u>(274,283)</u>
<b>Other Financing Sources (Uses)</b>	
Operating Transfers In	155,000
Sales of Fixed Assets	2,226
Proceeds From Capital Leases	122,072
Total Other Financing Sources (Uses)	<u>279,298</u>
<b>Net Change in Fund Balance</b>	<u>5,015</u>
<b>Fund Balance, Beginning</b>	361,834
<b>Prior Period Adjustment (Note 22)</b>	8,651
<b>Fund Balance, Restated</b>	<u>370,485</u>
<b>Fund Balance, End of Year</b>	\$ <u>375,500</u>

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement F**

**Reconciliation of the Change in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2004**

<b>Net Change in Fund Balances, Governmental Funds</b>	<b>\$</b>	<b>5,015</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	324,656
Depreciation expense	(108,653)

Proceeds from capital leases is an other financing source in governmental funds, but increases long-term liabilities in the statement of net assets.

Repayment of capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. These differences consist of:

Proceeds from capital leases	(122,072)
Capital lease principal payments	20,177

<b>Change in Net Assets, Governmental Activities</b>	<b>\$</b>	<b><u>119,123</u></b>
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The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement G**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2004**

<b>Assets</b>	<b>Enterprise Fund</b>
Current Assets:	
Cash and Cash Equivalents	\$ 167,342
Investments	150,000
Inventory, Natural Gas	10,248
Accounts Receivable, Net	167,582
Accrued Interest	1,438
Prepaid Expenses	6,658
Due From General Fund	10,906
Total Current Assets	<u>514,174</u>
Restricted Assets:	
Cash and Cash Equivalents	42,299
Investments	227,272
Total Restricted Assets	<u>269,571</u>
Property, Plant, and Equipment	
Buildings	13,349
Water Utility System	2,566,877
Gas Utility System	431,454
Sewer Utility System	3,065,602
Machinery and Equipment	146,586
Construction in Progress	14,380
Accumulated Depreciation	<u>(2,819,267)</u>
Net Property, Plant, and Equipment	<u>3,418,981</u>
Total Assets	<u>4,202,726</u>
<b>Liabilities</b>	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	61,905
Other Accrued Expenses	283
Accrued Interest Payable	1,043
Revenue Bonds Payable	49,571
Capital Lease Payable	4,726
Due To General Fund	39,530
Total Current Liabilities (Payable From Current Assets)	<u>157,058</u>
Current Liabilities (Payable From Restricted Assets):	
Customer Deposits Payable	94,144
Total Current Liabilities (Payable From Restricted Assets)	<u>94,144</u>
Long-Term Liabilities:	
Revenue Bonds Payable	373,294
Capital Lease Payable	8,722
Total Long-Term Liabilities	<u>382,016</u>
Total Liabilities	<u>633,218</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement G**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2004**

	<u>Enterprise Fund</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	\$ 2,982,668
Restricted for Debt Service	174,384
Unrestricted	<u>412,456</u>
Total Net Assets	\$ <u>3,569,508</u>

(Concluded)

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004**

**Statement H**

	Enterprise Fund
<b>Operating Revenues</b>	
Gas Sales	\$ 348,867
Less Cost of Gas Sold	<u>(163,476)</u>
Gross Profit on Gas Sales	185,391
Water Sales	350,966
Sewer Service Charges	149,913
Service Connection Charges	22,076
Delinquent Charges	29,526
Other Operating Revenues	<u>1,157</u>
Total Operating Revenues	<u>739,029</u>
<b>Operating Expenses</b>	
Bad Debt Expense	4,027
Building Maintenance	5,280
Contract Repairs	5,050
Depreciation	169,184
Employee Insurance	27,890
Employee Retirement	10,204
Equipment Expense	4,787
Insurance	16,486
Janitorial	2,780
Materials and Supplies	47,611
Office Expense	13,198
Other Operating Expenses	6,681
Payroll Taxes	11,280
Professional Services	48,980
Safe Drinking Water Fees	4,651
Salaries Maintenance	95,470
Salaries Office	51,874
Sewer Expense	46,254
Truck Expense	10,247
Uniform Rental	17
Utilities	<u>35,257</u>
Total Operating Expenses	<u>617,208</u>
<b>Operating Income (Loss)</b>	<u>121,821</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**

**Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004**

**Statement H**

	<u>Enterprise Fund</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Revenue	\$ 7,916
Interest Expense	<u>(22,675)</u>
Total Nonoperating Revenues (Expenses)	<u>(14,759)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>107,062</u>
<b>Contributions and Transfers</b>	
Operating Transfers In	-
Operating Transfers Out	(155,000)
Capital Contributions	-
Total Contributions and Transfers	<u>(155,000)</u>
<b>Change in Net Assets</b>	(47,938)
<b>Net Assets, Beginning</b>	<u>3,617,446</u>
<b>Net Assets, Ending</b>	<u><u>\$ 3,569,508</u></u>

(Concluded)

The accompanying notes are an integral part of this financial statement.

**Town of Livingston, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

**Statement I**

	<u>Enterprise Fund</u>
<b>Cash Flows From Operating Activities</b>	
Received From Customers	\$ 904,454
Received for Meter Deposit Fees	6,488
Other Receipts	1,157
Payments for Interfund Services	23,313
Payments for Operations	(406,449)
Payments to Employees	(203,851)
Net Cash Provided (Used) by Operating Activities	<u>325,112</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers to Other Funds	<u>(155,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(155,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Capital Contributions Received	-
Proceeds From Capital Leases	14,602
Paid for Capital Acquisitions	(72,996)
Principal Repayments, Revenue Bonds Payable	(47,270)
Principal Repayments, Capital Lease Payable	(10,939)
Interest Payments - Revenue Bonds Payable	(22,317)
Interest Payments - Capital Lease Payable	(345)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(139,265)</u>
<b>Cash Flows From Investing Activities</b>	
Receipt of Interest	7,224
Purchase of Investments	(137)
Net Cash Provided (Used) by Investing Activities	<u>7,087</u>
<b>Net Increase (Decrease) in Cash</b>	37,934
<b>Cash, Beginning of Year</b>	<u>171,707</u>
<b>Cash, End of Year</b>	<u>\$ 209,641</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</b>	
Cash and Cash Equivalents, Unrestricted	\$ 167,342
Cash and Cash Equivalents, Restricted	42,299
Total Cash and Cash Equivalents	<u>\$ 209,641</u>

(Continued)

**Town of Livingston, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

**Statement I**

	<u>Enterprise Fund</u>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash</b>	
<b>Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	\$ 121,821
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	169,184
Change in Inventories	(280)
Change in Accounts Receivable	7,133
Change in Prepaid Expenses	(553)
Change in Due From Other Funds	(5,573)
Change in Accounts Payable	2,429
Change in Accrued Expenses	(4,423)
Change in Due to Other Funds	28,886
Change in Customer Deposits	6,488
Net Cash Provided (Used) by Operating Activities	<u>\$ 325,112</u>

(Concluded)



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# **Basic Financial Statements**

## **Notes to the Financial Statements**

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**Introduction**

The Town of Livingston, Louisiana was incorporated November 4, 1955, under the provisions of the Lawrason Act. The Town operates under a Mayor/Board of Aldermen form of government. The Mayor and each of five aldermen are elected at large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The Town is located 28 miles east of Baton Rouge, Louisiana, north of Interstate Highway 12, with U.S. Highway 190 intersecting the northern part of the Town. The Town's total population is 1,342, as reported by the U.S. Census Bureau, Census 2000. The Town provides police and fire protection, services to maintain and develop streets, drainage, and sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Town provides water, gas, and sewer utility services to 1,738 water customers, 466 gas customers, and 821 sewer customers inside and outside of the Town limits. The Town employs 14 full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The Town has oversight of a component unit, Livingston Intergovernmental Commission, that is discretely presented in the notes to the financial statements. Copies of this component unit's separately-issued financial statements may be obtained from Livingston Intergovernmental Commission at 13960 Florida Boulevard, Post Office Box 609, Livingston, Louisiana 70754. The Commission's telephone number is (225) 686-2677.

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Town reports the following major proprietary funds:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities.

Investments for the Town, as well as for its component units, are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Town of Livingston, Louisiana  
Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**D. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Corporate Purposes	5.19	5.19	None

Sales Taxes are levied at one percent. The proceeds of this sales and use tax are dedicated to general corporate purposes.

**E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Restricted Assets**

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable debt covenants.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

The Town elected early implementation of GASB 34 in the fiscal year ending December 31, 2001. However, as a Phase III government (a government with annual revenues of less than \$10 million), the Town elected not to retroactively report infrastructure assets prior to implementation. Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. Beginning with the fiscal year ended December 31, 2001, these assets are now valued and reported within the governmental activities column of the government-wide financial statements.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend their lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line basis over the following useful lives:

Buildings	20 - 40 Years
Improvements	20 - 40 Years
Vehicles and Equipment	5 - 15 Years
Furniture and Fixtures	5 - 10 Years
Computers & Software	5 Years
Infrastructure	20 - 40 Years
Water Utility System	20 - 40 Years
Gas Utility System	20 - 40 Years
Sewer Utility System	20 - 40 Years

#### **H. Compensated Absences**

The Town has the following policy relating to vacation and sick leave:

All employees during their first and second year of service will receive one week paid vacation each year. One week of vacation can be taken after the first six months of the first year. Employees with two or more years service will receive two weeks paid vacation each year. Employees with 10 years or more will receive three weeks. Employees with 20 years or more will receive four weeks. Preference will be posted by January 15 of each year. Vacations will be approved by the department head and the Mayor. Vacation will be calculated on a calendar year. An employee hired after the first six months of a year will receive one week during the following calendar year. Vacation time accrued must be taken by the end of the fiscal year.

After six months employment, an employee may receive eight hours sick leave each month. After two years employment, the sick leave will increase to ten hours each month. All employees who have been employed by the Town five years or longer will receive twelve hours sick leave each month. An employee may accumulate a maximum of one thousand four hundred forty hours sick leave. No pay shall be granted for sick days if employee resigns or is terminated. No sick days shall be taken in lieu of vacations.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**I. Long-Term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**K. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**L. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

**M. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**N. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**2. Stewardship, Compliance and Accountability**

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

**3. Cash and Cash Equivalents**

At December 31, 2004, the Town has cash and cash equivalents (book balances) totaling \$236,646 as follows:

Cash on Hand	\$ 100
Demand Deposits	5
Interest-Bearing Demand Deposits	<u>236,541</u>
	<u>\$ 236,646</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.



**Town of Livingston, Louisiana  
Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

At December 31, 2004, the Town has \$824,963 in deposits (collected bank balances), including \$247,691 in demand deposits (cash & cash equivalents) and \$577,272 in time deposits (investments). These deposits are secured from risk by \$200,005 of federal deposit insurance and \$624,958 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

**4. Investments**

Investments are categorized into these three categories of credit risk:

1) Insured or registered, or securities held by the town or its agent in the Town's name, 2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name, or 3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name.

All investments held by the Town fall into category I credit risk, defined as "insured or registered, or securities held by the Town of Livingston or its agent in the Town of Livingston's name." In accordance with GASB 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At fiscal year-end, the Town's investment balances were as follows:

	Carrying Amount	Fair Value
Time Deposits	\$ 577,272	\$ 577,272
Louisiana Asset Management Pool	25,054	25,054
	<u>\$ 602,326</u>	<u>\$ 602,326</u>

In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2004, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**5. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, fines, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The General Fund receivables at December 31, 2004 consist of the following:

Taxes:	
Ad Valorem	\$ 15,726
Public Utility Franchise	22,044
Sales and Use	38,836
Intergovernmental:	
State of Louisiana, Beer Tax Distribution	422
United States Department of Justice	10,651
Livingston Parish Fire District #12	11,915
State of Louisiana, Highway Maintenance	2,095
Royalties	1,333
	<u>\$ 103,022</u>

The Enterprise Fund accounts receivable at December 31, 2004 consist of the following:

Current	\$ 109,037
31 - 60 Days	19,872
61 - 90 Days	4,670
Over 90 Days	17,346
Subtotal	<u>150,925</u>
Less Allowance for Bad Debt	<u>2,500</u>
Accounts Receivables, Net	148,425
Accrued Billings	19,157
	<u>\$ 167,582</u>

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**6. Interfund Receivables/Payables**

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2004:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 39,530	\$ 10,906
Enterprise Fund	10,906	39,530
	<u>\$ 50,436</u>	<u>\$ 50,436</u>

The reason for the interfund receivables/payables balances is Enterprise Fund payroll expenses and lease payments are paid through the General Fund, the Enterprise Fund collects sanitation fees for the General Fund, and the General Fund collects credit card utility payments for the Enterprise Fund. The interfund balances are repaid monthly.

**7. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2004 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 113,580	\$ -	\$ -	\$ 113,580
Total Capital Assets Not Being Depreciated	<u>113,580</u>	<u>-</u>	<u>-</u>	<u>113,580</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	501,143	8,739	-	509,882
Parks and Improvements	632,753	-	-	632,753
Sidewalk Improvements	163,571	-	-	163,571
Vehicles	509,292	207,695	39,546	677,441
Machinery and Equipment	176,229	108,222	15,929	268,522
Furniture and Fixtures	23,252	-	-	23,252
Computers & Software	11,733	-	-	11,733
Infrastructure	56,726	-	-	56,726
Total Capital Assets Being Depreciated	<u>2,074,699</u>	<u>324,656</u>	<u>55,475</u>	<u>2,343,880</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	223,666	13,498	-	237,164
Parks & Improvements	159,529	24,010	-	183,539
Sidewalk Improvements	16,070	8,179	-	24,249
Vehicles	274,612	45,595	39,546	280,661
Machinery and Equipment	127,472	14,142	15,929	125,685
Furniture and Fixtures	23,252	-	-	23,252
Computers & Software	8,090	1,521	-	9,611
Infrastructure	3,474	1,708	-	5,182
Total Accumulated Depreciation	<u>836,165</u>	<u>108,653</u>	<u>55,475</u>	<u>889,343</u>
Capital Assets Being Depreciated, Net	<u>1,238,534</u>	<u>216,003</u>	<u>-</u>	<u>1,454,537</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,352,114</u>	<u>\$ 216,003</u>	<u>\$ -</u>	<u>\$ 1,568,117</u>

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

Depreciation was charged to governmental functions as follows:

General Administration	\$ 10,380
Police Protection	22,958
Fire Protection	29,417
Public Works	21,255
Parks and Recreation	24,643
	<u>\$ 108,653</u>

Capital assets and depreciation activity as of and for the year ended December 31, 2004 for business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Being Depreciated:</b>				
Buildings	\$ 13,349	\$ -	\$ -	\$ 13,349
Vehicles	39,110	-	13,907	25,203
Machinery and Equipment	67,160	29,641	85	96,716
Furniture and Fixtures	2,271	2,557	-	4,828
Computers & Software	23,087	-	3,249	19,838
Water Utility System	2,555,353	11,524	-	2,566,877
Gas Utility System	431,454	-	-	431,454
Sewer Utility System	3,050,709	14,893	-	3,065,602
Construction in Progress	-	14,380	-	14,380
<b>Total Capital Assets Being Depreciated</b>	<u>6,182,493</u>	<u>72,995</u>	<u>17,241</u>	<u>6,238,247</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	6,860	614	-	7,474
Vehicles	25,573	3,600	13,907	15,266
Machinery and Equipment	39,536	11,951	85	51,402
Computers & Software	17,116	1,932	3,249	15,799
Furniture and Fixtures	2,271	121	-	2,392
Water Utility System	957,655	56,870	-	1,014,525
Gas Utility System	168,138	10,927	-	179,065
Sewer Utility System	1,450,174	83,169	-	1,533,343
<b>Total Accumulated Depreciation</b>	<u>2,667,323</u>	<u>169,184</u>	<u>17,241</u>	<u>2,819,266</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>3,515,170</u>	<u>-96,189</u>	<u>-</u>	<u>3,418,981</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 3,515,170</u>	<u>\$ -96,189</u>	<u>\$ -</u>	<u>\$ 3,418,981</u>

**8. Construction in Progress**

The Livingston Wastewater Expansion 2004 project will provide wastewater service to the approximate 10% of the residents who are not currently connected to the present system. In addition, service will be provided to the Livingston Parish Prison, the future site of the parish governmental complex, and areas of anticipated commercial and residential development. At December 31, 2004, this project was in its initial stage and had incurred engineering fees and other administrative cost of \$14,380.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**9. Accounts, Salaries, and Other Payables**

The payables of \$94,506 at December 31, 2004 are as follows:

	General Fund	Proprietary Fund	Total
Accounts	\$ 15,503	\$ 61,905	\$ 77,408
Withholdings	15,772	-	15,772
Bond Interest	-	1,043	1,043
Sales Tax	-	283	283
	<u>\$ 31,275</u>	<u>\$ 63,231</u>	<u>\$ 94,506</u>

**10. Short-Term Debt**

The Town had no short-term debt outstanding at December 31, 2004 other than that disclosed for existing capital leases and revenue bonds payable.

**11. Leases**

At December 31, 2004, the Town has the following capital leases:

	<u>Balance Due</u>
The Town entered into a lease purchase agreement with Hibernia National Bank to purchase 2 - 2004 Ford Crown Victorias for a total cost of \$39,676. The lease is payable in twelve quarterly payments of \$3,476.56. The first payment is due July 7, 2004. Subsequent payments are due quarterly on the 7 <sup>th</sup> day of every October, January, April and July thereafter. The assets are being depreciated over their estimated useful lives of five years. Depreciation of \$5,951 was included in depreciation expense in the Police Department in 2004.	\$ 30,102
The Town entered into a lease purchase agreement with Hibernia National Bank to purchase a John Deere 5205 Tractor and a Lift Type Cutter for a total cost of \$16,550.04. The lease is payable in one payment of \$842 due on July 13, 2004 and twelve quarterly payments of \$1,403.33 commencing on October 13, 2004. The assets are being depreciated over their estimated useful lives of 10 years. Depreciation of \$1,103.34 was included in depreciation expense in the Street Department in 2004.	13,300
The Town entered into a lease purchase agreement with Hibernia National Bank to purchase 2 - 2005 Ford F450 trucks and a Mid Frame Z-Trac Mower for a total cost of \$65,845.77. The lease is payable in twelve quarterly payments of \$5,820.23 commencing in January 2005. The assets are being depreciated over their estimated useful lives ranging from 5 to 10 years. Depreciation of \$1,601.43 was included in depreciation expense in the Street Department in 2004.	65,846
The Town entered into a lease purchase agreement with Hibernia National Bank to purchase an air compressor and a hammerhead mole for a total cost of \$14,602. The lease is payable in twelve quarterly payments of \$1,294.84 commencing on October 4, 2004. The assets are being depreciated over their estimated useful lives of 7 years. Depreciation of \$1,043 was included in depreciation expense in the utility fund in 2004.	13,448
	<u>\$ 122,696</u>

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

The following is an analysis of capital leases outstanding at December 31, 2004:

	<u>Equipment</u>
General Fund	\$ 109,248
Proprietary Fund	<u>13,448</u>
	<u>\$ 122,696</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 2004:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
2005	\$ 37,921	\$ 5,179	\$ 43,100
2006	42,800	5,179	47,979
2007	<u>34,444</u>	<u>3,885</u>	<u>38,329</u>
Total Minimum Lease Payments	115,165	14,243	129,408
Less: Amounts Representing Interest	<u>-5,917</u>	<u>-795</u>	<u>-6,712</u>
Present Value of Net Minimum Lease Payments	<u>\$ 109,248</u>	<u>\$ 13,448</u>	<u>\$ 122,696</u>

As of December 31, 2004, the Town has operating leases as follows:

Equipment: Xerox photocopier  
 Periodic Charge: \$225.87 per month  
 Lease Term: 60 months

The minimum annual commitments under noncancellable operating leases are as follows:

	<u>Equipment</u>
2005	\$ 2,710
2006	2,710
2007	2,710
2008	<u>678</u>
	<u>\$ 8,808</u>

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**12. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the year ended December 31, 2004:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>
Beginning Balance	\$ 7,353	\$ -	\$ 9,785	\$ 470,135
Increases	122,072	-	14,602	-
Decreases	20,177	-	10,939	47,270
Ending Balance	<u>\$ 109,248</u>	<u>\$ -</u>	<u>\$ 13,448</u>	<u>\$ 422,865</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>
Current Portion	\$ 34,908	\$ -	\$ 4,726	\$ 49,571
Long-Term Portion	74,340	-	8,722	373,294
	<u>\$ 109,248</u>	<u>\$ -</u>	<u>\$ 13,448</u>	<u>\$ 422,865</u>

As of December 31, 2004, outstanding revenue bond issues are as follows:

	<u>Principal Outstanding</u>
\$56,000 General Obligation Ad Valorem Tax Bonds, dated 2/20/75, due in monthly installments of \$275 through 2015, interest at 5% (these issues are secured by a dedication of a permanent Ad Valorem Tax of the Town).	\$ 20,540
\$28,000 General Obligation Ad Valorem Tax Bonds, of Sewer District No. 1 of the Town, dated 2/20/75, due in monthly installments of \$138 through 2015, interest at 5% (these issues are secured by a dedication of a permanent Ad Valorem Tax of the District).	10,652
\$843,000 Utility Revenue Bonds 2, dated 2/20/75, due in monthly installments of \$4,128 through 2015, interest at 5% (this issue is secured by the income and revenues derived from the operation of the Town's Utility System).	328,366
\$257,000 Utility Revenue Bonds 2, dated 2/20/75, due in monthly installments of \$1,258 through 2015, interest at 5% (this issue is secured by the income and revenues derived from the operation of the Town's Utility System).	63,307
	<u>\$ 422,865</u>

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

The annual requirements to amortize all debt outstanding at December 31, 2004, including interest payments of \$86,315 are as follows:

	Capital Leases	Revenue Bonds	Total
2005	\$ 43,100	\$ 69,588	\$ 112,688
2006	47,980	69,588	117,568
2007	38,328	69,588	107,916
2008	-	69,588	69,588
2009	-	69,588	69,588
2010 - 2012	-	154,528	154,528
	<u>\$ 129,408</u>	<u>\$ 502,468</u>	<u>\$ 631,876</u>

**13. Interfund Transfers**

The following is a detailed list of interfund transfers reported in the fund financial statements on December 31, 2004:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 155,000	\$ -
Enterprise Fund	-	155,000
	<u>\$ 155,000</u>	<u>\$ 155,000</u>

The reason for the interfund transfers is to reduce General Fund expenditures in excess of revenues.

**14. Flow of Funds and Restrictions on Use - Utilities Revenues**

The voters of the Town approved the issuance of \$1,100,000 Utility Revenue Bonds, \$56,000 General Obligation Ad Valorem Tax Bonds of the Town and \$28,000 General Obligation Ad Valorem Tax Bonds of Sewer District No. 1 of the Town in an election held August 24, 1974. The governing authority of the Town adopted a resolution on January 13, 1975, authorizing issuance of the above utility bonds. On February 20, 1975, the Town sold \$1,184,000 of the authorized bonds to United States Department of Agriculture, Rural Utility Service (RUS). The bonds were issued for forty (40) years payable with interest at the rate of 5% per annum. The bonds and any installments may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The proceeds of the bonds are restricted to use for redeeming \$198,640 of 1958 Water and Gas Revenue Bonds of the Town and construction and improvements to the combined utility system and are subject to the provisions of the above resolution adopted January 13, 1975.

Under the terms of the bond proceeds to the Town, the revenue bonds are payable as to principal and interest solely from the income and revenue derived from the operation of the combined utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system. The Ad Valorem Tax Bonds of the Town are secured by a dedication of a permanent Ad Valorem tax of the Town. These bonds do not constitute an indebtedness or pledge of the general credit of the Town within the meaning of any constitutional or statutory limitation of indebtedness.



**Town of Livingston, Louisiana  
Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

The Town is to maintain its present gas rates and increase these rates when the wholesale price of natural gas increases by adding a fuel adjustment cost equal to the difference per 1,000 cubic feet. The Town has minimum water rates it must charge under this agreement.

Each month the Town will reserve into a Bond and Interest Sinking (Redemption) Fund a sum equal to one-twelfth (1/12) of the interest and principal due on the next bond payment due date, and a proportionate sum as may be required as the bonds respectfully become due. Money in the sinking funds shall be deposited as trust funds and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. Alternately, RUS has set up a payment schedule whereby the Town can make such payments directly to its office, thus eliminating the need for the Bond and Interest Sinking Fund. There shall also be set aside into a Utility System Bond Reserve Fund a sum equal to 5% of the monthly bond payment, or \$290, after the construction becomes revenue-producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default. The balance in the fund at December 31, 2004 is \$69,588.

Funds will also be reserved into a Depreciation and Contingency Fund after completion of the project at the rate of \$275 per month. Money in this fund will be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds. The balance in the fund at December 31, 2004 is \$90,887.

All the revenues received in any fiscal year and not required to be paid into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

As of December 31, 2004, the Town has not assessed any Ad Valorem Taxes to be used for payment of the Ad Valorem tax bond issues. The Town has elected to make the payments out of current utility revenues.

## **15. Retirement Systems**

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees. Pertinent information relative to each plan follows:

### **A. Municipal Employee Retirement System of Louisiana (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Furthermore, with at least 10

**Town of Livingston, Louisiana  
Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

years of creditable service, but less than 30 years, an employee may take early retirement benefits commencing at age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or calling (225) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to Contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan B for the years ending December 31, 2004, and 2003, and 2002 were \$17,165, \$4,528, and \$0, respectively, equal to the required contributions for each year.

**B. Municipal Police Employees Retirement System of Louisiana (System)**

*Plan Description:* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

*Funding Policy:* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Livingston is required to contribute at an actuarially determined rate. The current rate is 21.50 percent of annual covered payroll. The contribution requirements of plan members and the Town are

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the Police Retirement System for the years ending December 31, 2004, 2003, and 2002, were \$16,215, \$10,213, and \$10,465 respectively, equal to the required contributions for each year.

**16. Reserved and Designated Fund Balances/Net Assets**

At December 31, 2004, the general fund had no reserved or designated fund balances.

At December 31, 2004, the proprietary fund had restricted net assets of \$174,384, representing the Town's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

**17. Risk Management**

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Town's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

**18. Contingent Liabilities**

At December 31, 2004, the Town was involved in one lawsuit, the likelihood of the outcome of which is not possible to determine or estimate, and sufficient insurance coverage for any claim is available; therefore, the Town has recorded no liability in relation to this litigation.

**19. On-Behalf Payments for Fringe Benefits and Salaries**

During the year ended December 31, 2004, the Town received the following on-behalf payments, which were recorded as revenues when received and expenditures when the cost was incurred:

State Supplemental Pay, Policemen	\$ 17,100
State Supplemental Pay, Firemen	900
	<u>\$ 18,000</u>

**20. Fire Insurance Rebate**

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 22:1580 and is eligible for and receives a pro rata share of the fire insurance tax collected by the State. The amounts received by the fire department are based on the population in the Town and unincorporated areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of rendering more efficient and efficacious the active volunteer fire department as the Town shall direct.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**21. Oil, Gas, and Mineral Lease**

On January 4, 1983, the Town leased all of its lands, streets, alleys, public ways and places containing 141.60 acres, more or less to Callon Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations of structures and prospecting and drilling for, mining, and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

The rights herein granted are limited as to depth and said rights extend only from the surface of the earth to 100 feet below the base of the Wilcox formation, or its stratigraphic equivalent. All rights for minerals lying below said depth to the center of the earth are expressly reserved to the lessor.

The Town's 25% royalty rights under the above lease are currently assigned to TMR Exploration, Inc. During the fiscal year ending December 31, 2004, the Town of Livingston recorded \$8,063 in royalty income. The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

**22. Prior Period Adjustment**

A prior period adjustment was made to correct the health insurance payable at 12/31/03.

Date	Description	Amount
12/31/03	Fund balance, beginning	\$ 361,834
	Prior period adjustment:	
12/31/03	- Correct health insurance payable	8,651
12/31/03	Fund balance, restated	<u>\$ 370,485</u>

**23. Component Unit Information**

The Town has determined that Livingston Intergovernmental Commission is a major component unit. There were no significant transactions between the Town and the Commission for the year ended December 31, 2004. In accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments*, the Commission's condensed financial statements are presented below. Copies of this component unit's separately-issued financial statements may be obtained from Livingston Intergovernmental Commission at 13960 Florida Boulevard, Post Office Box 609, Livingston, Louisiana 70754. The Commission's telephone number is (225) 686-2677.

**Town of Livingston, Louisiana**  
**Notes to the Financial Statements**

**As of and for the Year Ended December 31, 2004**

**Livingston Intergovernmental Commission**  
**Condensed Statement of Net Assets**  
**December 31, 2004 and 2003**

	Governmental Activities			
	2004	2003	\$ Change	% Change
<b>Assets:</b>				
Current and Other Assets	\$ 5,488,716	\$ 5,790,130	\$ -301,414	-5%
Capital Assets	482,550	499,451	-16,901	-3%
Total Assets	<u>5,971,266</u>	<u>6,289,581</u>	<u>-318,315</u>	-5%
<b>Liabilities:</b>				
Long-Term Debt Outstanding	7,487	13,389	-5,902	-44%
Other Liabilities	9,436	11,039	-1,603	-15%
Total Liabilities	<u>16,923</u>	<u>24,428</u>	<u>-7,505</u>	-31%
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	482,550	499,451	-16,901	-3%
Unrestricted	86,939	221,442	-134,503	-61%
Restricted	5,384,854	5,544,260	-159,406	-3%
Total Net Assets	<u>\$ 5,954,343</u>	<u>\$ 6,265,153</u>	<u>\$ -310,810</u>	-5%

**Livingston Intergovernmental Commission**  
**Condensed Statement of Activities**  
**For the Years Ended December 31, 2004 and 2003**

	Governmental Activities			
	2004	2003	\$ Change	% Change
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ -	∞%
General Revenues:				
Interest Income	65,708	81,759	-16,051	-20%
Net Change in Fair Value of Investments	57,308	34,712	22,596	65%
Total Revenues	<u>123,016</u>	<u>116,471</u>	<u>6,545</u>	6%
<b>Expenses:</b>				
General & Administrative Expenses	111,965	100	111,865	1119%
Derailment Operating Expenses	55,046	48,131	6,915	14%
Derailment Health Surveillance	117,941	172,519	-54,578	-32%
Derailment Environmental Surveillance	115,540	104,693	10,847	10%
Derailment Thirty-Year Indemnity	-	587	-587	-100%
Combustion, Inc. Health Surveillance	33,334	200,000	-166,666	-83%
Total Expenses	<u>433,826</u>	<u>526,030</u>	<u>-92,204</u>	-18%
Change in Net Assets	-310,810	-409,559	98,749	-24%
Net Assets, Beginning	6,265,153	6,674,712	-409,559	-6%
Net Assets, Ending	<u>\$ 5,954,343</u>	<u>\$ 6,265,153</u>	<u>\$ -310,810</u>	-5%

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**Required Supplemental Information (Part II)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

**Town of Livingston, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Year Ended December 31, 2004**

Revenues	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance With Final Budget: Favorable (Unfavorable)
	Original	Final		
Taxes:				
Sales and Use Taxes	\$ 200,000	\$ 220,000	\$ 225,657	\$ 5,657
Ad Valorem Taxes	35,000	30,000	30,325	325
Public Utility Franchise Taxes	85,000	95,000	89,306	(5,694)
Licenses and Permits:				
Business Licenses	89,000	129,000	108,260	(20,740)
Beer Permits	100	200	240	40
Building Permits	2,500	4,000	4,001	1
Intergovernmental:				
Livingston Parish Fire Protection Dist 12	10,000	10,000	10,973	973
Louisiana Alcoholic Beverage Tax	2,000	2,000	2,044	44
Louisiana Fire Insurance Rebate	4,000	3,800	3,848	48
Louisiana Highway Maintenance	4,200	4,200	4,191	(9)
State Supplemental Pay	-	18,600	18,000	(600)
Sanitation Fees	45,000	40,000	43,879	3,879
Fines	72,000	77,000	75,587	(1,413)
Interest Income	5,000	4,000	4,196	196
Oil, Gas, & Mineral Royalties	4,000	6,000	8,063	2,063
Rental of Industrial Building	10,000	-	-	-
Court Fees	500	700	763	63
Fire Department	-	-	1,559	1,559
Parks and Recreation	275,000	235,000	236,549	1,549
Miscellaneous Income	5,000	3,000	6,816	3,816
Louisiana Law Enforcement Grant	2,500	3,600	3,592	(8)
COPS Universal Hiring Grant	20,000	45,000	41,488	(3,512)
FEMA Grant	73,575	74,600	73,575	(1,025)
Donation of Fire Rescue Vehicle	-	108,000	107,921	(79)
DOTD - (ISTEA) Grant	140,000	-	-	-
Recreational Trails Grant	55,000	-	-	-
Total Revenues	<u>1,139,375</u>	<u>1,113,700</u>	<u>1,100,833</u>	<u>(12,867)</u>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Year Ended December 31, 2004**

<b>Expenditures</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts: GAAP Basis</b>	<b>Final Budget: Favorable (Unfavorable)</b>
<b>General and Administrative:</b>				
Salaries, Mayor and Aldermen	\$ 45,000	\$ 45,000	\$ 45,404	\$ (404)
Salaries, Town Clerk	34,000	34,000	33,639	361
Salaries, Court Clerk	900	900	900	-
Office Expenses	4,500	6,500	6,453	47
Office Telephone	3,500	3,500	3,353	147
Advertising and Printing	2,000	1,500	1,058	442
Professional Services	25,000	30,000	31,347	(1,347)
Dues, Subscriptions, and Meetings	7,000	7,000	6,934	66
Insurance (All Departments)	65,000	79,600	67,196	12,404
Employee Insurance (All Departments)	50,000	50,000	53,622	(3,622)
Employee Retirement (All Departments)	16,000	20,000	17,165	2,835
Payroll Taxes (All Departments)	29,750	29,500	27,931	1,569
Beautification	1,000	-	-	-
Building and Grounds Maintenance	1,000	500	294	206
Industrial Building Repairs	500	-	-	-
Operating Lease Expense	2,000	1,200	3,029	(1,829)
Miscellaneous	10,000	15,000	11,537	3,463
Capital Outlay	-	2,500	1,117	1,383
<b>Total General and Administrative</b>	<b>297,150</b>	<b>326,700</b>	<b>310,979</b>	<b>15,721</b>
<b>Public Safety:</b>				
<b>Police Department:</b>				
Salaries	137,000	157,700	149,113	8,587
Supplies	4,000	2,500	2,539	(39)
Automobile Expense	7,500	9,500	8,158	1,342
Automobile Gasoline	12,000	13,000	13,358	(358)
Retirement	10,000	15,500	16,215	(715)
Other Police Expense	2,000	4,500	8,659	(4,159)
Capital Lease Principal Payments	12,000	10,000	9,574	426
Capital Lease Interest Payments	600	2,000	856	1,144
Capital Outlay	83,000	48,176	42,731	5,445
<b>Total Police Department</b>	<b>268,100</b>	<b>262,876</b>	<b>251,203</b>	<b>11,673</b>
<b>Fire Department:</b>				
Salaries	26,000	24,900	26,140	(1,240)
Miscellaneous	12,000	16,000	16,701	(701)
Capital Outlay	2,000	117,000	189,673	(72,673)
<b>Total Fire Department</b>	<b>40,000</b>	<b>157,900</b>	<b>232,514</b>	<b>(74,614)</b>
<b>Total Public Safety</b>	<b>308,100</b>	<b>420,776</b>	<b>483,717</b>	<b>(62,941)</b>

(Continued)



**Town of Livingston, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Year Ended December 31, 2004**

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance With Final Budget: Favorable (Unfavorable)
	Original	Final		
<b>Street Department:</b>				
Salaries	\$ 67,000	\$ 67,000	\$ 66,328	\$ 672
Utilities, Street Lights	15,000	14,000	13,745	255
Repairs and Maintenance	6,000	6,000	5,103	897
Uniforms	1,000	1,000	795	205
Equipment Operating Expenditures	8,000	11,500	9,289	2,211
Capital Lease Principal Payments	8,300	12,000	10,603	1,397
Capital Lease Interest Payments	220	500	561	(61)
Other Street Expenditures	30,000	39,000	32,216	6,784
Sidewalk Maintenance	3,000	2,500	2,438	62
Capital Outlay	-	82,396	82,396	-
Capital Outlay - Sidewalks	156,400	-	-	-
Total Street Department	294,920	235,896	223,474	12,422
<b>Sanitation Department:</b>				
Collection Fees	55,000	55,000	55,396	(396)
Total Sanitation Department	55,000	55,000	55,396	(396)
<b>Health Department:</b>				
Salaries	2,400	2,400	2,400	-
Miscellaneous	2,500	2,000	2,868	(868)
Total Health Department	4,900	4,400	5,268	(868)
<b>Parks and Recreation:</b>				
Salaries	-	50,000	42,351	7,649
Utilities	10,000	10,000	9,560	440
Other Recreation & Parks Expenditures	7,000	7,000	6,490	510
Tournament Expense	195,000	151,000	151,255	(255)
Program Expense	55,000	75,000	73,873	1,127
Circle Drive Park Expense	4,500	4,500	4,014	486
Historic Post Office Improvements	5,000	9,000	8,739	261
Circle Drive Park Improvements	56,000	-	-	-
Total Parks and Recreation:	332,500	306,500	296,282	10,218
Total Expenditures	1,292,570	1,349,272	1,375,116	(25,844)
<b>Excess Revenues (Expenditures)</b>	<b>(153,195)</b>	<b>(235,572)</b>	<b>(274,283)</b>	<b>(38,711)</b>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund**

**For the Year Ended December 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts: GAAP Basis</u>	<u>Variance With Final Budget: Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	\$ 155,000	\$ 155,000	\$ 155,000	\$ -
Sales of Fixed Assets	-	-	2,226	2,226
Proceeds From Capital Lease	-	122,072	122,072	-
Total Other Financing Sources (Uses)	<u>155,000</u>	<u>277,072</u>	<u>279,298</u>	<u>2,226</u>
<b>Net Change in Fund Balance</b>	<u>1,805</u>	<u>41,500</u>	<u>5,015</u>	<u>(36,485)</u>
<b>Fund Balance, Beginning</b>	381,937	361,834	361,834	-
<b>Prior Period Adjustment (Note 22)</b>	-	8,651	8,651	-
<b>Fund Balance, Restated</b>	<u>381,937</u>	<u>370,485</u>	<u>370,485</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 383,742</u>	<u>\$ 411,985</u>	<u>\$ 375,500</u>	<u>\$ (36,485)</u>

(Concluded)

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## Other Supplemental Information

**Town of Livingston, Louisiana**

**Schedule 2**

**Comparative Schedule of Net Assets  
Proprietary Fund Type  
December 31, 2004 and 2003**

<b>Assets</b>	<b>Enterprise Fund</b>	
	<b>2004</b>	<b>2003</b>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 167,342	\$ 135,799
Investments	150,000	150,000
Inventory, Natural Gas	10,248	9,967
Accounts Receivable, Net	167,582	174,715
Accrued Interest	1,438	747
Prepaid Expenses	6,658	6,105
Due From General Fund	10,906	5,334
Total Current Assets	<u>514,174</u>	<u>482,667</u>
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	42,299	35,908
Investments	227,272	227,135
Total Restricted Assets	<u>269,571</u>	<u>263,043</u>
<b>Property, Plant, and Equipment:</b>		
Buildings	13,349	13,349
Water Utility System	2,566,877	2,555,353
Gas Utility System	431,454	431,454
Sewer Utility System	3,065,602	3,050,709
Machinery and Equipment	146,586	131,628
Construction in Progress	14,380	-
Accumulated Depreciation	<u>(2,819,267)</u>	<u>(2,667,323)</u>
Net Property, Plant, and Equipment	<u>3,418,981</u>	<u>3,515,170</u>
Total Assets	<u>4,202,726</u>	<u>4,260,880</u>
<b>Liabilities</b>		
<b>Current Liabilities (Payable From Current Assets):</b>		
Accounts Payable	61,905	59,476
Other Accrued Expenses	283	4,707
Accrued Interest Payable	1,043	1,030
Revenue Bonds Payable	49,571	47,152
Capital Lease Payable	4,726	9,785
Due To General Fund	39,530	10,645
Total Current Liabilities (Payable From Current Assets)	<u>157,058</u>	<u>132,795</u>
<b>Current Liabilities (Payable From Restricted Assets):</b>		
Customer Deposits Payable	94,144	87,656
Total Current Liabilities (Payable From Restricted Assets)	<u>94,144</u>	<u>87,656</u>
<b>Long-Term Liabilities:</b>		
Revenue Bonds Payable	373,294	422,983
Capital Lease Payable	8,722	-
Total Long-Term Liabilities	<u>382,016</u>	<u>422,983</u>
Total Liabilities	<u>633,218</u>	<u>643,434</u>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 2**

**Comparative Schedule of Net Assets  
Proprietary Fund Type  
December 31, 2004 and 2003**

	Enterprise Fund	
	2004	2003
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	\$ 2,982,668	\$ 3,035,250
Restricted for Debt Service	174,384	175,387
Unrestricted	<u>412,456</u>	<u>406,809</u>
Total Net Assets	<u>\$ 3,569,508</u>	<u>\$ 3,617,446</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 3**

**Comparative Schedule of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund Type  
For the Years Ended December 31, 2004 and 2003**

	Enterprise Fund	
	2004	2003
<b>Operating Revenues</b>		
Gas Sales	\$ 348,867	\$ 380,485
Less Cost of Gas Sold	(163,476)	(159,292)
Gross Profit on Gas Sales	185,391	221,193
Water Sales	350,966	354,274
Sewer Service Charges	149,913	131,292
Service Connection Charges	22,076	23,013
Delinquent Charges	29,526	26,430
Other Operating Revenues	1,157	8,022
Total Operating Revenues	739,029	764,224
<b>Operating Expenses</b>		
Bad Debt Expense	4,027	1,637
Building Maintenance	5,280	-
Contract Repairs	5,050	5,784
Depreciation	169,184	164,003
Employee Insurance	27,890	23,215
Employee Retirement	10,204	4,134
Equipment Expense	4,787	28,071
Insurance	16,486	11,643
Janitorial	2,780	2,293
Materials and Supplies	47,611	46,173
Office Expense	13,198	11,905
Other Operating Expenses	6,681	8,479
Payroll Taxes	11,280	10,290
Professional Services	48,980	25,489
Safe Drinking Water Fees	4,651	8,865
Salaries Maintenance	95,470	91,334
Salaries Office	51,874	45,622
Sewer Expense	46,254	40,879
Truck Expense	10,247	7,097
Uniform Rental	17	377
Utilities	35,257	34,048
Total Operating Expenses	617,208	571,338
<b>Operating Income (Loss)</b>	121,821	192,886

(Continued)

**Town of Livingston, Louisiana**

**Schedule 3**

**Comparative Schedule of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund Type  
For the Years Ended December 31, 2004 and 2003**

	<u>Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Revenue	\$ 7,916	\$ 6,920
Interest Expense	<u>(22,675)</u>	<u>(26,944)</u>
Total Nonoperating Revenues (Expenses)	<u>(14,759)</u>	<u>(20,024)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>107,062</u>	<u>172,862</u>
<b>Contributions and Transfers</b>		
Operating Transfers In	-	-
Operating Transfers Out	(155,000)	(100,000)
Capital Contributions	<u>-</u>	<u>-</u>
Total Contributions and Transfers	<u>(155,000)</u>	<u>(100,000)</u>
<b>Change in Net Assets</b>	(47,938)	72,862
<b>Net Assets, Beginning</b>	<u>3,617,446</u>	<u>3,544,584</u>
<b>Net Assets, Ending</b>	<u>\$ 3,569,508</u>	<u>\$ 3,617,446</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 4**

**Comparative Schedule of Cash Flows  
Proprietary Fund Type  
For the Years Ended December 31, 2004 and 2003**

	<u>Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>Cash Flows From Operating Activities</b>		
Received From Customers	\$ 904,454	\$ 876,922
Received for Meter Deposit Fees	6,488	4,340
Other Receipts	1,157	8,022
Payments for Interfund Services	23,313	(39,784)
Payments for Operations	(406,449)	(389,239)
Payments to Employees	(203,851)	(176,938)
Net Cash Provided (Used) by Operating Activities	<u>325,112</u>	<u>283,323</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfers to Other Funds	<u>(155,000)</u>	<u>(100,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(155,000)</u>	<u>(100,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Capital Contributions Received	-	-
Proceeds From Capital Leases	14,602	-
Paid for Capital Acquisitions	(72,996)	(107,026)
Principal Repayments, Revenue Bonds Payable	(47,270)	(44,995)
Principal Repayments, Capital Lease Payable	(10,939)	(19,909)
Interest Payments - Revenue Bonds Payable	(22,317)	(24,593)
Interest Payments - Capital Lease Payable	(345)	(1,320)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(139,265)</u>	<u>(197,843)</u>
<b>Cash Flows From Investing Activities</b>		
Receipt of Interest	7,224	7,195
Purchase of Investments	<u>(137)</u>	<u>(11,368)</u>
Net Cash Provided (Used) by Investing Activities	<u>7,087</u>	<u>(4,173)</u>
<b>Net Increase (Decrease) in Cash</b>	37,934	(18,693)
<b>Cash, Beginning of Year</b>	<u>171,707</u>	<u>190,400</u>
<b>Cash, End of Year</b>	<u>\$ 209,641</u>	<u>\$ 171,707</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</b>		
Cash and Cash Equivalents, Unrestricted	\$ 171,707	\$ 135,799
Cash and Cash Equivalents, Restricted	<u>37,934</u>	<u>35,908</u>
Total Cash and Cash Equivalents	<u>\$ 209,641</u>	<u>\$ 171,707</u>

(Continued)



**Town of Livingston, Louisiana**

**Schedule 4**

**Comparative Schedule of Cash Flows  
Proprietary Fund Type  
For the Years Ended December 31, 2004 and 2003**

	Enterprise Fund	
	2004	2003
<b>Reconciliation of Net Operating Income (Loss) to Net Cash</b>		
<b>Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ 121,821	\$ 192,886
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
<b>Provided (Used) by Operating Activities:</b>		
Depreciation	169,184	164,004
Change in Inventories	(280)	(9,967)
Change in Accounts Receivable	7,133	(36,934)
Change in Prepaid Expenses	(553)	(1,400)
Change in Due From Other Funds	(5,573)	(5,334)
Change in Accounts Payable	2,429	11,539
Change in Accrued Expenses	(4,423)	(1,360)
Change in Due to Other Funds	28,886	(34,451)
Change in Customer Deposits	6,488	4,340
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 325,112</b>	<b>\$ 283,323</b>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 5**

**Combining Schedule of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund Type - Utility Funds  
For the Year Ended December 31, 2004**

	<u>Water Utility System</u>	<u>Gas Utility System</u>	<u>Sewer Utility System</u>	<u>Total</u>
<b>Operating Revenues</b>				
Gas Sales	\$ -	\$ 348,867	\$ -	\$ 348,867
Less Cost of Gas Sold	-	(163,476)	-	(163,476)
Gross Profit on Gas Sales	-	185,391	-	185,391
Water Sales	350,966	-	-	350,966
Sewer Service Charges	-	-	149,913	149,913
Service Connection Charges	17,616	2,985	1,475	22,076
Delinquent Charges	11,810	8,858	8,858	29,526
Other Operating Revenues	448	373	336	1,157
Total Operating Revenues	<u>380,840</u>	<u>197,607</u>	<u>160,582</u>	<u>739,029</u>
<b>Operating Expenses</b>				
Bad Debt Expense	1,611	1,208	1,208	4,027
Building Maintenance	2,112	1,584	1,584	5,280
Contract Repairs	1,760	910	2,380	5,050
Depreciation	63,912	16,208	89,064	169,184
Employee Insurance	11,156	8,367	8,367	27,890
Employee Retirement	4,082	3,061	3,061	10,204
Equipment Expense	2,553	1,117	1,117	4,787
Insurance	6,594	4,946	4,946	16,486
Janitorial	1,112	834	834	2,780
Materials and Supplies	23,250	14,747	9,614	47,611
Office Expense	5,280	3,959	3,959	13,198
Other Operating Expenses	3,771	1,803	1,107	6,681
Payroll Taxes	4,512	3,384	3,384	11,280
Professional Services	19,592	14,694	14,694	48,980
Safe Drinking Water Fees	4,651	-	-	4,651
Salaries Maintenance	38,188	28,641	28,641	95,470
Salaries Office	20,750	15,562	15,562	51,874
Sewer Expense	-	-	46,254	46,254
Truck Expense	4,099	3,074	3,074	10,247
Uniform Rental	17	-	-	17
Utilities	18,047	-	17,210	35,257
Total Operating Expenses	<u>237,049</u>	<u>124,099</u>	<u>256,060</u>	<u>617,208</u>
<b>Operating Income (Loss)</b>	<u>143,791</u>	<u>73,508</u>	<u>(95,478)</u>	<u>121,821</u>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 5**

**Combining Schedule of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund Type - Utility Funds  
For the Year Ended December 31, 2004**

	<u>Water Utility System</u>	<u>Gas Utility System</u>	<u>Sewer Utility System</u>	<u>Total</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest Revenue	\$ 3,166	\$ 2,375	\$ 2,375	\$ 7,916
Interest Expense	(4,677)	(17,334)	(664)	(22,675)
Total Nonoperating Revenues (Expenses)	<u>(1,511)</u>	<u>(14,959)</u>	<u>1,711</u>	<u>(14,759)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>142,280</u>	<u>58,549</u>	<u>(93,767)</u>	<u>107,062</u>
<b>Contributions and Transfers</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(60,800)	(47,100)	(47,100)	(155,000)
Capital Contributions	-	-	-	-
Total Contributions and Transfers	<u>(60,800)</u>	<u>(47,100)</u>	<u>(47,100)</u>	<u>(155,000)</u>
<b>Change in Net Assets</b>	<u>\$ 81,480</u>	<u>\$ 11,449</u>	<u>\$ (140,867)</u>	<u>(47,938)</u>
<b>Net Assets, Beginning</b>				<u>3,617,446</u>
<b>Net Assets, Ending</b>				<u>\$ 3,569,508</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 6**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Water Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water Sales	\$ 360,000	\$ 350,966	\$ (9,034)
Service Connection Charges	15,500	17,616	2,116
Delinquent Charges	10,000	11,810	1,810
Other Operating Income	<u>1,000</u>	<u>448</u>	<u>(552)</u>
Total Operating Revenues	<u>386,500</u>	<u>380,840</u>	<u>(5,660)</u>
<b>Operating Expenses</b>			
Bad Debt Expense	1,200	1,611	(411)
Building Maintenance	-	2,112	(2,112)
Contract Repairs	2,880	1,760	1,120
Depreciation	64,000	63,912	88
Employee Insurance	9,600	11,156	(1,556)
Employee Retirement	3,400	4,082	(682)
Equipment Expense	10,000	2,553	7,447
Insurance	5,200	6,594	(1,394)
Janitorial	1,000	1,112	(112)
Materials and Supplies	23,000	23,250	(250)
Office Expense	5,200	5,280	(80)
Other Operating Expenses	2,620	3,771	(1,151)
Payroll Taxes	4,280	4,512	(232)
Professional Services	21,600	19,592	2,008
Safe Drinking Water Fees	4,500	4,651	(151)
Salaries Maintenance	36,000	38,188	(2,188)
Salaries Office	18,600	20,750	(2,150)
Truck Expense	3,600	4,099	(499)
Uniform Rental	720	17	703
Utilities	<u>17,000</u>	<u>18,047</u>	<u>(1,047)</u>
Total Operating Expenses	<u>234,400</u>	<u>237,049</u>	<u>(2,649)</u>
<b>Operating Income (Loss)</b>	<u>152,100</u>	<u>143,791</u>	<u>(8,309)</u>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 6**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Water Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<b>Nonoperating Revenues (Expenses)</b>			
Interest Revenue	\$ 2,760	\$ 3,166	\$ 406
Interest Expense	<u>(5,000)</u>	<u>(4,677)</u>	<u>323</u>
Total Nonoperating Revenues (Expenses)	<u>(2,240)</u>	<u>(1,511)</u>	<u>729</u>
 <b>Income (Loss) Before Contributions and Transfers</b>	 <u>149,860</u>	 <u>142,280</u>	 <u>(7,580)</u>
 <b>Contributions and Transfers</b>			
Operating Transfers In	-	-	-
Operating Transfers Out	(60,800)	(60,800)	-
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions and Transfers	<u>(60,800)</u>	<u>(60,800)</u>	<u>-</u>
 <b>Change in Net Assets</b>	 <u>\$ 89,060</u>	 <u>\$ 81,480</u>	 <u>\$ (7,580)</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 7**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Gas Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<b>Operating Revenues</b>			
Gas Sales	\$ 360,000	\$ 348,867	\$ (11,133)
Less Cost of Gas Sold	<u>(165,000)</u>	<u>(163,476)</u>	<u>1,524</u>
Gross Profit on Gas Sales	195,000	185,391	(9,609)
Service Connection Charges	2,000	2,985	985
Delinquent Charges	9,000	8,858	(142)
Other Operating Income	<u>1,000</u>	<u>373</u>	<u>(627)</u>
Total Operating Revenues	<u>207,000</u>	<u>197,607</u>	<u>(9,393)</u>
<b>Operating Expenses</b>			
Bad Debt Expense	900	1,208	(308)
Building Maintenance	-	1,584	(1,584)
Contract Repairs	2,160	910	1,250
Depreciation	16,000	16,208	(208)
Employee Insurance	7,200	8,367	(1,167)
Employee Retirement	2,550	3,061	(511)
Equipment Expense	7,500	1,117	6,383
Insurance	3,900	4,946	(1,046)
Janitorial	750	834	(84)
Materials and Supplies	13,000	14,747	(1,747)
Office Expense	3,900	3,959	(59)
Other Operating Expenses	1,965	1,803	162
Payroll Taxes	3,210	3,384	(174)
Professional Services	16,200	14,694	1,506
Salaries Maintenance	27,000	28,641	(1,641)
Salaries Office	13,950	15,562	(1,612)
Truck Expense	2,700	3,074	(374)
Uniform Rental	<u>540</u>	<u>-</u>	<u>540</u>
Total Operating Expenses	<u>123,425</u>	<u>124,099</u>	<u>(674)</u>
<b>Operating Income (Loss)</b>	<u>83,575</u>	<u>73,508</u>	<u>(10,067)</u>

(Continued)

**Town of Livingston, Louisiana**

**Schedule 7**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Gas Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<b>Nonoperating Revenues (Expenses)</b>			
Interest Revenue	\$ 2,070	\$ 2,375	\$ 305
Interest Expense	<u>(19,000)</u>	<u>(17,334)</u>	<u>1,666</u>
Total Nonoperating Revenues (Expenses)	<u>(16,930)</u>	<u>(14,959)</u>	<u>1,971</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>66,645</u>	<u>58,549</u>	<u>(8,096)</u>
<b>Contributions and Transfers</b>			
Operating Transfers In	-	-	-
Operating Transfers Out	(47,100)	(47,100)	-
Capital Contributions	-	-	-
Total Contributions and Transfers	<u>(47,100)</u>	<u>(47,100)</u>	<u>-</u>
<b>Change in Net Assets</b>	<u>\$ 19,545</u>	<u>\$ 11,449</u>	<u>\$ (8,096)</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 8**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Sewer Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<b>Operating Revenues</b>			
Sewer Service Charges	\$ 150,700	\$ 149,913	\$ (787)
Service Connection Charges	1,500	1,475	(25)
Delinquent Charges	9,000	8,858	(142)
Other Operating Income	<u>1,000</u>	<u>336</u>	<u>(664)</u>
Total Operating Revenues	<u>162,200</u>	<u>160,582</u>	<u>(1,618)</u>
<b>Operating Expenses</b>			
Bad Debt Expense	900	1,208	(308)
Building Maintenance	-	1,584	(1,584)
Contract Repairs	2,160	2,380	(220)
Depreciation	90,000	89,064	936
Employee Insurance	7,200	8,367	(1,167)
Employee Retirement	2,550	3,061	(511)
Equipment Expense	7,500	1,117	6,383
Insurance	3,900	4,946	(1,046)
Janitorial	750	834	(84)
Materials and Supplies	10,000	9,614	386
Office Expense	3,900	3,959	(59)
Other Operating Expenses	1,965	1,107	858
Payroll Taxes	3,210	3,384	(174)
Professional Services	16,200	14,694	1,506
Salaries Maintenance	27,000	28,641	(1,641)
Salaries Office	13,950	15,562	(1,612)
Sewer Expense	51,000	46,254	4,746
Truck Expense	2,700	3,074	(374)
Uniform Rental	540	-	540
Utilities	<u>17,000</u>	<u>17,210</u>	<u>(210)</u>
Total Operating Expenses	<u>262,425</u>	<u>256,060</u>	<u>6,365</u>
<b>Operating Income (Loss)</b>	<u>(100,225)</u>	<u>(95,478)</u>	<u>4,747</u>

(Continued)



**Town of Livingston, Louisiana**

**Schedule 8**

**Schedule of Revenues, Expenses, and Changes in Net Assets  
Budget (GAAP Basis) and Actual  
Proprietary Fund Type - Sewer Utility System  
For the Year Ended December 31, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Revenue	\$ 2,070	\$ 2,375	\$ 305
Interest Expense	<u>(1,000)</u>	<u>(664)</u>	<u>336</u>
Total Nonoperating Revenues (Expenses)	<u>1,070</u>	<u>1,711</u>	<u>641</u>
 <b>Income (Loss) Before Contributions and Transfers</b>	 <u>(99,155)</u>	 <u>(93,767)</u>	 <u>5,388</u>
 <b>Contributions and Transfers</b>			
Operating Transfers In	-	-	-
Operating Transfers Out	(47,100)	(47,100)	-
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions and Transfers	<u>(47,100)</u>	<u>(47,100)</u>	<u>-</u>
 <b>Change in Net Assets</b>	 <u>\$ (146,255)</u>	 <u>\$ (140,867)</u>	 <u>\$ 5,388</u>

(Concluded)

**Town of Livingston, Louisiana**

**Schedule 9**

**Comparative Schedule of Gas Sales and Purchases  
Proprietary Fund Type  
For the Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Gas Sales and Purchases (Dollars)</b>		
Gas Sales	\$ 348,867	\$ 380,485
Gas Purchases	<u>(163,476)</u>	<u>(159,292)</u>
Gross Profit	<u>\$ 185,391</u>	<u>\$ 221,193</u>
 Gross Profit Percentage of Sales	 53%	 58%
 <b>Gas Unaccounted For (Thousands of Cubic Feet)</b>		
Gas Sales	21,483	23,877
Gas Purchases	<u>23,993</u>	<u>27,923</u>
Gas Unaccounted For	<u>2,510</u>	<u>4,046</u>
 Cost of Gas Unaccounted For (Gain) or Loss	 \$ 17,093	 \$ 23,062
 <b>Number of Customers</b>		
In Service - Residential Customers	421	422
In Service - Commercial Customers	45	47
In Service - Industrial Customers	<u>-</u>	<u>-</u>
Total Number of Customers	<u>466</u>	<u>469</u>
 <b>Gas Sales and Purchases Per Service Category at 12/31/04 (Per Thousand Cubic Feet)</b>		
	<u>Residential</u>	<u>Commercial</u>
Gas Sales	\$ 14.26	\$ 18
Gas Purchases (Average Cost)	<u>-6.81</u>	<u>(7)</u>
Gross Profit	<u>\$ 7.45</u>	<u>\$ -</u>

**Town of Livingston, Louisiana**

**Schedule 10**

**Utility Rate Schedule  
Proprietary Fund Type  
December 31, 2004**

			<u>Residential</u>		<u>Commercial</u>	
			<u>In Town</u>	<u>Out of Town</u>	<u>In Town</u>	<u>Out of Town</u>
<b>Gas Rates</b>						
1	-	500 Cubic Feet (Flat Fee)	11.25	14.50	14.50	14.50
501	-	4000 Cubic Feet (Per 1000)	14.50	16.25	16.25	16.25
4001	-	12000 Cubic Feet (Per 1000)	14.00	16.00	16.00	16.00
12001	-	Over Cubic Feet (Per 1000)	13.75	15.75	15.75	15.75
			<u>Residential</u>		<u>In Town or Out of Town</u>	
			<u>In Town</u>	<u>Out of Town</u>	<u>Commercial</u>	<u>Industrial</u>
<b>Sewer Rates</b>						
Flat Rate			15.00	17.50	-	-
1	-	8500 Gallons Water (Flat Fee)	-	-	20.00	-
8501	-	Over Gallons Water (Per 1000)	-	-	0.50	-
1	-	12500 Gallons Water (Flat Fee)	-	-	-	70.00
12501	-	Over Gallons Water (Per 1000)	-	-	-	0.80
			<u>Residential &amp; Commercial</u>		<u>Industrial</u>	
			<u>In Town</u>	<u>Out of Town</u>	<u>In Town</u>	<u>Out of Town</u>
<b>Water Rates</b>						
1	-	3000 Gallons (Flat Fee)	8.75	-	-	-
3001	-	6000 Gallons (Per 1000)	1.30	-	-	-
6001	-	11000 Gallons (Per 1000)	1.25	-	-	-
11001	-	21000 Gallons (Per 1000)	0.75	-	-	-
21001	-	Over Gallons (Per 1000)	0.75	-	-	-
1	-	2000 Gallons (Flat Fee)	-	12.75	-	-
2001	-	10000 Gallons (Per 1000)	-	1.45	-	-
10001	-	Over Gallons (Per 1000)	-	1.25	-	-
1	-	50000 Gallons (Flat Fee)	-	-	75.00	80.00
50001	-	75000 Gallons (Per 1000)	-	-	1.20	1.30
75001	-	Over Gallons (Per 1000)	-	-	1.00	1.10

**Town of Livingston, Louisiana**

**Schedule 11**

**Schedule of Utility Customers  
Proprietary Fund Type  
December 31, 2004**

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total</u>
Gas Customers	421	45	-	466
Sewer Customers	727	93	1	821
Water Customers	1,608	129	1	1,738

**Town of Livingston, Louisiana**

**Schedule 12**

**Schedule of Insurance  
Year Ended December 31, 2004**

<b>Insurance Company</b>	<b>Coverage</b>	<b>Amount</b>	<b>Period</b>
EMC Insurance Company Policy Number 2X4102205	Commercial Property: Town Hall Building Business Property Fire Station Maintenance Shop	\$ 117,800 49,500 74,200 29,200	12/10/04 - 12/10/05
EMC Insurance Company Policy Number 1X2091505	Commercial Property: Industrial Building Rental Income Commercial Inland Marine: Scheduled Equipment Coverage	\$ 318,240 15,000 115,773	12/10/04 - 12/10/05
Lexington Insurance Company Policy Number 5CA 7266	Commercial Auto: Physical Damage	\$ 210,948	05/25/04 - 05/25/05
Lexington Insurance Company Policy Number APD269716	Commercial Auto, Fire Trucks: Physical Damage	\$ 360,000	05/25/04 - 05/25/05
Risk Management, Inc. Policy Number LML195	Automobile Liability: Owned, Hired, & Non-Owned Uninsured Motorist General Liability: Premises/Operations Products/Completed Operations Medical Payments Fire Legal Liability Police Professional Liability Errors & Omissions Liability	\$ 500,000 Included 500,000 Included 10,000 50,000 500,000 500,000	05/23/04 - 05/23/05
Risk Management, Inc. Policy Number WC0104	Workers' Compensation	\$ Statutory Limits	01/01/04 - 01/01/05
National Casualty Company Policy Number 4094969978	Sports Accident Insurance: Summer Baseball Program: Death & Specific Loss, Each Medical Expense, Each	\$ 10,000 5,000	04/27/04 - 10/27/05
EMC Insurance Company Policy Number T224447	Public Employee Fidelity Bond	\$ 25,000	01/23/04 - 01/23/05
EMC Insurance Company Policy Number S089816	Federal Position Fidelity Bond: Mayor Clerk	\$ 150,000 150,000	09/22/04 - 09/22/05
Western Surety Company Policy Number 13572465N	Notary Bond	\$ 5,000	07/26/00 - 07/26/05

**Town of Livingston, Louisiana**

**Schedule 13**

**Schedule of Per Diem Payments  
Year Ended December 31, 2004**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

	<u>Compensation Received</u>
Derral Jones, Mayor 20177 Circle drive Livingston, LA 70754 (225) 686-7619	\$ 36,669
Brent Bencaz, Alderman Post Office Box 577 Livingston, LA 70754 (225) 686-0317	1,950
Gregory Bencaz, Alderman Post Office Box 16 Livingston, LA 70754 (225) 686-2272	1,800
Julia Higginbotham, Alderwoman 19930 Georgia Street Livingston, LA 70754 (225) 686-2305	1,950
Randy Morgan, Alderman Post Office Box 182 Livingston, LA 70754 (225) 686-7149	2,025
Joey Sibley, Alderman Post Office Box 643 Livingston, LA 70754 (225) 686-7533	2,025
	<u>\$ 46,419</u>

**Town of Livingston, Louisiana**

**Schedule 14**

**Corrective Action Plan for Current Year Audit Findings  
Year Ended December 31, 2004**

**Section I - Internal Control and Compliance Material to the Financial Statements**

No Section I findings.

**Section II - Internal Control and Compliance Material to Federal Awards**

No Section II findings.

**Section III - Management Letter**

No Section III findings.

**Town of Livingston, Louisiana**

**Schedule 15**

**Summary Schedule of Prior Year Audit Findings**  
**Year Ended December 31, 2004**

**Section I - Internal Control and Compliance Material to the Financial Statements**

No Section I findings.

**Section II - Internal Control and Compliance Material to Federal Awards**

No Section II findings.

**Section III - Management Letter**

No Section III findings.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor Derral Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

I have audited the basic financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 2004 and have issued my report thereon dated June 27, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Livingston, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Town of Livingston, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the management of the Town of Livingston, Louisiana, the Legislative Auditor, and the cognizant Federal Agency. However, this report is a matter of public record and its distribution is not limited.

*Leroy J. Chustz*

Certified Public Accountant, APAC  
June 27, 2005